



Stichting WASTE  
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ANNUAL ACCOUNTS 2018

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## ANNUAL ACCOUNTS 2018

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## 1. BOARD REPORT 2018

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## **BOARD REPORT 2018**

### **1.1 Introducing WASTE**

WASTE Foundation is a Dutch non-governmental research and programme management organization founded in 1983 and located in The Hague, the Netherlands.

Our vision and mission have been evolving, along with the landscape of development co-operation in Europe and elsewhere. This certainly applies to our own growing involvement in the business and financing sides of urban environmental management and our growing involvement in the circular economy.

WASTE Foundation is pleased to present its 2018 Annual Report.

#### **1.1.1 Vision of WASTE**

The vision of WASTE: *“WASTE and its partners are united by a vision of disenfranchised people in urban areas taking the lead to sustainably improve their own environment and, by doing so, contribute to the improvement of their livelihoods and welfare.”*

To manifest our vision and fulfil our mission, WASTE experts design and implement programmes, projects, consultancies and trainings which focus on urban environmental management. Our main focus is on:

1. Sanitation services: providing access to safe sanitation services, fecal sludge management and re-use of fecal sludge in the circular economy
2. Solid waste management services, both including the service chain (collection of waste and plastics), as well as safe disposal sites and re-use of waste in the circular economy
3. A range of supporting topics, such as business development, entrepreneurship and creating access to finance, both at the level of institutions, policies and improving practice.

The majority of the WASTE Foundation programmes are multi-year and often multi-country programmes. More than one third (38%) have been directly financed by the Dutch ministry of Foreign Affairs, Division for International Cooperation (DGIS), or indirectly through PPPs. In addition to this the WASTE Foundation has long-term programmes financed by other governments (13% by SIDA, USAID and the EU) and half (49%) by other funding organisations (the Bill and Melinda Gates Foundation and Aqua for All).<sup>1</sup>

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<sup>1</sup> In addition, WASTE has a small portfolio of consulting work in solid waste management, sanitation, planning, sustainable financing, training and project evaluation, financed in part by UN agencies, national ministries and private foundations, and which are carried out by the WASTE Cooperative.



Currently the main WASTE Foundation programmes are operational in:

- South Asia (Bangladesh, India, Nepal),
- East Africa (Kenya, Ethiopia, Uganda, Tanzania),
- Southern Africa (Malawi and Zambia)
- and West Africa (Mali, Ghana).

WASTE has extensive experience in other regions, including the Middle East, Central and South America, Small Island Developing States and the Balkans.

WASTE has developed several tools that support its programmes. These are: The Integrated Sustainable Waste Management (ISWM) framework, the “Diamond Model”, FIETS (Finance, Institutions, Environment, Technology, and Society), the FINISH approach and innovative financing.

### **1.1.2 The structure of WASTE**

The structure of WASTE is rooted in flexibility as well as a core of WASTE experts and partners and access to a large group of specialists.

WASTE has three legal entities:

- The WASTE Foundation (Stichting WASTE): a non-profit organization, managing complex large subsidy programmes. The foundation has been re-organised in 2016 to keep fixed costs at minimum, by outsourcing the Human Resources and Financial Administration to Nedworc Foundation.
- The WASTE Cooperative (COOP) U.A (Uitgesloten Aansprakelijkheid): a social enterprise to implement smaller projects and consultancy assignments with lower overhead. The WASTE experts are the members of the WASTE Cooperative and also form the Advisory Board of the WASTE Foundation.
- The WASTE BV. The WASTE BV is fully owned by the WASTE Foundation. The WASTE BV has been in-active in 2018, since its main function of being able to invest in social enterprises and to accommodate consultancy assignments, has been taken over by the WASTE Cooperative.

The core of the WASTE group is formed on the one hand by its people, the WASTE experts, and on the other hand by its 30-year track-record, including its knowledge base, frameworks (ISWM, diamond approach), financial innovations and leverage.

All the WASTE experts are member of the WASTE Cooperative. The members also form the Advisory Board to the WASTE Foundation. As WASTE is deeply rooted in democratic decision-making, the Advisory Board has an important role in advising on the mission, vision and strategy of the WASTE Foundation.

In Chapter 1.2 the organisation of the WASTE Foundation is explained in detail.



## 1.2 The Organisation: structure, changes and relationships

### 1.2.1 Organisational structure Stichting WASTE (WASTE FOUNDATION)

The purpose and means of the Foundation have not altered and are as below:

#### **Purpose**

The Foundation aims to enable people in mostly poor urban areas – in low and middle-income countries, to achieve a sustainable and healthy living environment. To that purpose, the Foundation promotes participatory interaction between local stakeholders, including the public, the private sector and governments. The Foundation strives for a balance between financial, institutional, ecological, technological, and social aspects of sustainability.

#### **Means**

To achieve this objective, networks, knowledge, and funds, are created. The foundation seeks to achieve this objective on a non-profit basis by:

1. Developing and leading projects and programs;
2. Performing studies and research;
3. Acquisition, adoption and execution on advisory and study assignments;
4. Evaluating projects and programs;
5. Developing innovative concepts in urban waste management and sanitation;
6. Providing transfer of knowledge and knowledge management;
7. Providing publications and providing information in relation to objects;
8. Representation of interests for the target group and promoting the objectives in the broadest sense;
9. Undertaking activities that can contribute to achieve the objective, in the broadest sense.

The raison d'être of the Foundation or Stichting is outlined below.

- Rationale: The Foundation will continue to manage medium to large complex subsidy programmes with an accordingly appropriate management and administrative structure.
- Assets of the Stichting include: a 30-year track record, knowledge base, a framework / (ISWM, financial innovations and diamond) approach, ANBI status, a good reputation.
- Activities and income
  - the Foundation will conduct ongoing programs and new large subsidy programs.
  - Knowledge development and knowledge management (income from license fees)
- Staff: the Stichting contracts the core group of WASTE experts (the members of the WASTE Cooperative) through a payrolling construction. This allows for flexibility, while greatly simplifying social security and employers' obligations for the WASTE Foundation. When expertise is not available among the WASTE Cooperative members, associates or others are hired.



- Outsourced Administration: for maximum flexibility, Stichting WASTE has a partnership agreement with Stichting Nedworc, in which Nedworc provides both HR (payrolling) services for WASTE experts, as well as the financial administration for Stichting WASTE.
- Governance: the Stichting has an executive board (management / board) and a Supervisory Board.
- Relationship Stichting – Cooperative: The members of the WASTE Cooperative form the Advisory Board of the WASTE Foundation.

### **1.2.2 Important Changes**

In 2018 the following important changes took place :

- Appointing a new director (Hanny Maas) and a new Supervisory Board (please refer chapter 1.5). The financial director (Valentin Post) and the Chair of the Supervisory Board (Adriaan Ferf) will remain in position in 2018 and 2019 to maintain continuity.
- Processes and procedures were adapted to the new way of working, and all the WASTE experts are now conversant with the new procedures. WASTE has changed to a new archiving system (SharePoint) and the experts have now become familiar with this system.
- In 2018 the WASTE Foundation portfolio has grown, 2 new persons joined, while all other WASTE experts remained with the WASTE foundation, providing continuity and stability to the organization.

### **1.2.3 Organisations related to WASTE Foundation**

In the past WASTE Foundation has a.o. helped in establishing the following independent foundations: WASTE Malawi, WASTE Zambia, 3R WASTE India and FINISH Society in India. In 2018 it assisted in establishing FINISH in Kenya (INK). These organisations are completely independent of the WASTE Foundation both legally and financially. However, they have adopted the vision, mission and guiding principles of the WASTE Foundation in the NL. We frequently cooperate with their staff in our programmes and share information.

The organisations that carry the name 'WASTE' and the WASTE logo have been granted permission to do so because they share the mission and vision of the WASTE Foundation in the Netherlands. The idea behind assisting in setting up local WASTE organisations is to assist in building local capacity and systems, without expanding the WASTE Foundation. As part of our long-term strategy discussion, WASTE will discuss with its partners abroad how we can strengthen the cooperation, while mitigating reputational and other risks through a cooperation agreement.



### **1.3 Financial results**

#### **1.3.1 Financial result**

This report has been prepared in line with the Annual Reporting Guideline C1.

#### **Portfolio**

In 2018 the WASTE Foundation portfolio increased with 30% from €2,951,176 in 2017 to € 3,809,078, mainly due to the approval of the FINISH Mondial programme by Aqua for All in July 2018.

#### **Result**

The gross income from subsidies in 2018 was € 3,809,078 with direct project cost of € 3,609,464 resulting in a net income of € 199,614. Our total operating expenses were slightly higher at € 221,068 resulting in a net operating revenue from normal operations of - € 21,454 (net operating loss).

Taking into consideration the extra-ordinary income and expenditures (€ 56,505) and the result on the Guarantee Funds (-€146,506), the net result of operations stands at - € 111,404.

#### **Reserves**

The result on the guarantee funds (- € 146,505) is appropriated by the Designated Funds reducing the Designated Funds from € 533,714 in 2017 to € 387,209 at the end of 2018. The operational result of € 35,101 will be appropriated by the continuity reserve of the WASTE Foundation, increasing the continuity reserve from € 271,704 in 2017 to € 306,805 at the end of 2018. The level is sufficient to cover one year of operations without income and to cover unexpected costs. It is also sufficient to cover the risk of not receiving the last instalment on our largest project. The level is related to the portfolio size and is determined annually.

#### **Comparison with 2017**

As compared to 2017, the following items stand out in 2018:

1. The increase in the operational income with nearly 30%, from € 2,951,176 in 2017 to € 3,809,078 in 2018.
2. The increase in operational expenditure was about 26% from € 3,029,340 to € 3,830,532, improving the result and the margin of the WASTE Foundation.

In 2018 some projects that had been approved in late 2017 were started, and the FINISH Mondial project was approved, leading to a well-filled portfolio in 2018.



### Operational income

The increase in operational income is due to the portfolio growth, but also due to an increase in the margin to improve the cost coverage. WASTE Foundation improved its budgeting and tariff model, leading to more income for the WASTE Foundation. Amongst others junior, medior and senior tariffs were introduced for the WASTE experts. The income model for the Foundation needs to be developed further in 2019 to ensure a positive operational result and sufficient funds for continued professionalisation.

### Operational expenditure

A further decrease of fixed costs was realized in 2018, including for office rent. In 2019 housing costs will reduce further, as the first 3 months of 2018 WASTE Foundation had double housing costs. WASTE invested in a new website (to be launched in 2019) and in communication.

#### 1.3.2 Funding sources

In 2018 the division of our funding sources was as follows:

Source of funding	Amount spent € <sup>2</sup>	As percentage of total funding %
1) Government Funding (DGIS, RVO)	473.069	13
2) Government Funding (SIDA, EU, USAID)	502.271	13
3) Other Funding Organisations (BMGF, Aqua for All)	1.870.945	49
4) Others (PPPs)	962.793	25
<b>Total Funding</b>	<b>3.809.078</b>	<b>100</b>

#### 1.3.3 Projects

In 2018 the WASH SDG Inception phase was successfully completed, and the implementation phase of WASH SDG was approved by DGIS and was started.

In 2018 the following programmes continued: (i) the FINISH programme in India got extended till December 2019 and (ii) the FINISH INK programme in Kenya continues till June 2019, (iii) the BMGF project on service level agreement for waste management in Malawi continued, (iv) the 4 year EJOM Mali EU funded project to create youth employment in Mali will continue till June 2020. In this project WASTE Foundation will focus on the solid waste management sector. The Take-A-Stake project (v) funded by

<sup>2</sup> Amounts as spent by WASTE Foundation on projects in 2018



SIDA was continued till April 2019, this project is working on setting up a fund for small and growing businesses in the WASH sector.



The 'Securing Water for Food' project (vi) for recycling black and grey water in South India is funded by USAID and will be continued, this is a result-based project, in which based on results achieved the next tranche of funding is approved by USAID. The CLUES project (vii) funded by BMGF continued.

The FINISH Mondial programme was approved by Aqua for All (using DGIS funding) and started in July 2018. FINISH Mondial is a partnership between WASTE Foundation, Aqua for All and Amref, which builds on the experience of the FINISH programmes in India and Kenya, to expand the FINISH approach to 4 new countries (Bangladesh, Ethiopia, Uganda and Tanzania).

#### **1.3.4 Guarantee fund**

WASTE is party in contracts with local partners to manage guarantee funds facilitating access to finance loans for sanitation purposes. The guarantee funds are cash collaterals deposited at local microfinance institutions or banks for a fixed period. Common practice in these facilities is that micro-finance institutions or banks disburse and manage loans from their own funds and the deposit minus defaults, plus interest gained on the deposit is returned to WASTE after the contract period.

The guarantees have been and are successful in enabling local financing for WASH, resulting in financial inclusion and access to sanitation for the poor and ultimately in scalability of sanitation programmes and providing leverage to donor funding. Some of the MFIs/banks have now repaid the guarantee funds to WASTE, but continue to provide sanitation loans without the back-up of a guarantee, as they have experienced that their sanitation loan portfolios are performing well.

For three funds the contract ended and the funds were returned to WASTE Foundation (€ 129,308). The funds returned to WASTE are added to the 'designated funds'. The 'designated funds' are therefore higher than the outstanding guarantee funds, as this includes all funds available at WASTE for the specific purpose of improving access to water, sanitation and hygiene (both outstanding guarantees as well as returned funds). The balance of the designated funds is € 387,208 at the end of 2018.

The discussion with DGIS on the guarantee funds has been completed and ownership of the funds has been transferred to the WASTE Foundation. WASTE pledged to keep using the funds for its original purpose of improving access to water, sanitation and hygiene. Therefore, the funds are presented as Designated Funds under Reserves and Funds. Future withdrawals will be deducted from the guarantee funds through the statement of income and expenditure.

#### **1.3.5 Acquisition & Forecast 2019**

The forecast for 2019 looks good with an ongoing portfolio of € 2,600,000, from continuation of the two public private partnership FINISH programmes in India and Kenya, the Take-a-Stake programme funded by Sida, the EJOM Mali project funded by the EU, the Securing Water for Food programme funded by



USAID, the WASH SDG programme funded by DGIS, CLUES funded by BMGF and the SPA Plus programme in Zambia funded by DGIS.

Two large programmes, Take-A-Stake and FINISH Mondial are ending in 2019 and proposals for continuation of these programmes are at a very advanced stage of acquisition and are expected to be approved mid-2019, resulting in a total portfolio of at least € 4,300,000 and resulting in growth in income. Setting up the diamond approach in the plastic sector (FINILOOP) is also gaining traction in a context of growing attention from funders and public alike for plastic waste.

The 2019 budget that has been added to the Annual Report outlines that the Foundation is expected to grow from € 3.8 mln turnover in 2018 to approximately € 4.3 mln turnover in 2019. The margin of WASTE from projects and fees is budgeted at € 293,154. The total operating expenses are budgeted at € 268.077, and the expenditure under different headings is depicted in the graph below. The expected result from normal operations is € 25,077.





## **1.4 Programme results**

### **1.4.1 FINISH**

#### **Financial Inclusion Improves Sanitation and Health (FINISH)**

*Sanitation for all by integrating the demand and supply side of the sanitation challenge in India*

FINISH is a public-private partnership initially funded with a grant of € 4.5 M by DGIS in 2009. FINISH applies multi-stakeholder approach involving the entire value chain. By mobilising the supply side of sanitation while integrating financial resources into the value chain, it raises awareness on, and creates a demand for, sanitation services amongst end-users. This includes improving quality and safety of sanitation services, reducing the price of these services and ensuring proper disposal of the waste produced.

Main activities include:

- Sanitation awareness and demand generation process;
- Training for masons in sanitation system construction;
- Public-private partnerships leveraging grant funding through local microfinance institutions for sanitation loans, supplier's credit and other financing instruments;
- Local entrepreneur training for sanitation business development;
- Liaison with local governments;
- Safe recycling of human waste as agricultural or renewable energy input;

In 2010, the FINISH project partners set up the non-profit, FINISH Society. FINISH Society was established to secure and manage the assets of the programme, such as the relationships, knowledge and network built up by the partners.

#### **Scale without funding**

Our long-term goal is to continue building value chains in waste and sanitation that reach scale without external funding. Therefore, FINISH Society also set up a social enterprise called the FINISH Services and Management Company (FSMC). FSMC aggregates household demand for sanitation and translates this into bulk purchases of material and actual construction. Large parts of the proceedings of this organisation directly flow back into FINISH Society to carry on activities for raising awareness and generating demand locally. This has been effective in safeguarding the sustainability of the programme in India.

#### **Impact realised**

- Cost of sanitation systems reduced by 15%;
- 2560 GPs Open Defecation Free (ODF) in Punjab, UP, Madhya Pradesh, Rajasthan, Maharashtra, and Odisha;
- Over 900,000 sanitation systems constructed;
- DGIS grant leveraged over 20 times with local financing (€ 140 million);



- € 55 M in microfinance used for sanitation.

*FINISH is established with and owes its success to the following partners: ACTIAM, FINISH Society, Cashpor, BWDC, Gram Utthan, RDO Trust, Aqua for All, Unicef, United Nations University MERIT / Institute of Fiscal Studies, UK.*

#### **1.4.2 Finish Ink**

##### **Financial Inclusion Improves Sanitation & Health in Kenya (FINISH INK)**

*Improve livelihood opportunities and increase the health status of marginalized communities in Kenya*

FINISH INK is a public-private partnership funded by the Dutch government with € 4.5 M since 2013, focusing on creating enabling environments for scaling the uptake of sanitation systems through local-market-based approaches. Its vision is to achieve improved health status in Kenya by sustainably expanding access to and demand for sanitation facilities through financial inclusion. Demand for improved sanitation is activated through sanitation marketing, involving campaigns whereby households are informed of the impacts of upgrading sanitation facilities, how to do so affordably and the short- and long-term benefits. Willing household(s) are then linked to trained artisans for construction, materials suppliers and financial partners for sanitation loans (when credit facilities are needed). The Ministry of Health's involvement has been key to the sustainability of the model as the platform can be used to support internal health and sanitation goals.

Main activities include:

- Demand generation (sanitation marketing approach); training of community health volunteers, independent youth and other developmental professionals (institutionalisation through Amref University);
- Training for artisans/masons in affordable sanitation system construction (training of trainers);
- Public-private partnerships leverage grant funding through local MFIs for sanitation loans; working with savings and credit cooperatives;
- Local entrepreneur training for sanitation business development;
- Liaison with local governments;
- Pilot on safe reuse of human waste as a soil conditioner.

Lack of knowledge on developing loan products for sanitation was identified as a gap in the financial market—many FIs lack tools on how to evaluate sanitation businesses. Key amongst our interventions has been support for developing sanitation loan products and appraisal training, encouraging them to develop sanitation portfolios as part of their regular business.

##### **Promoting entrepreneurship to ensure sustainability**

To ensure sustainability, over 100 sanitation enterprises have been assisted in capacity development via hands-on trainings. Linkages to increasing demand as well as with financial partners have been facilitat-



ed for growth. Business-side development has been key to building a platform ensuring activities continue after the project ends.

#### **Impact realised**

- Open Defecation Free (ODF) Busia County
- Cost of sanitation systems reduced by 35%
- Over € 7.5 M invested in sanitation through microfinance
- 53 school sanitation systems financed through microfinance
- Over 840,000 people reached in sanitation awareness efforts
- At least 40,000 households with improved sanitation facilities

*FINISH INK is established with and owes its success to the following partners: Amref Health Africa, Kenyan Ministry of Health, Sidian Bank, Family Bank, Imarika Sacco, ACTIAM, Take-A-Stake Fund and United Nations University MERIT.*

### **1.4.3 FINISH Mondial**

#### **FINISH Mondial**

*Global sanitation-for-all approach addressing supply- & demand-sides of the sanitation challenge*

After the success of FINISH programmes in India and Kenya, *Financial Inclusion Improves Sanitation & Health* (FINISH) has scaled-up and gone 'global', aiming for: sanitation-for-all in a circular economy. FINISH Mondial is a partnership between WASTE (founder), Aqua for All (lead partner) and Amref Flying Doctors, with € 1.6 M funding from DGIS, launched in Bangladesh, Ethiopia, India, Kenya, Tanzania and Uganda.

The first phase set the stage by selecting the key partners and identifying project areas. FINISH Mondial aims to reach 20 M people across 6 countries by building 4 M safe sanitation systems by 2025, meanwhile containing and recycling 1 M tonnes of faecal sludge. Financially, this will be realised by leveraging € 40 M in grants with € 630 M in sanitation investments.

#### **FINISH Mondial, a unique story**

- FINISH Mondial uses a multi-stakeholder approach to involve the entire value chain in sanitation. By (1) raising awareness on and creating a demand for sanitation amongst end-users; (2) mobilising supply and reuse business of sanitation; (3) integrating local financial resources; and (4) collaboration with government and development partners for scaling.
- As a result, quality and safety of sanitation services are improved, costs of services are reduced, and proper disposal of waste is ensured. The focus is on building local capacities for facilitating sanitation loans, sanitation business development, and construction of safe sanitation systems.
- FINISH Mondial emphasizes each of the four *Diamond domains* (communities, businesses, governments, financiers) equally in developing local sanitation markets for inclusive scale.



### **Sustainability beyond launch phase**

Activities are focused on building local capacities and enabling circular economies related to sanitation, prioritizing sustainability and local ownership. FINISH programme countries depend on each other for innovation and local knowledge sharing.

### **Results 2018**

- Local Base of Pyramid (BoP) sanitation market development in 4 'new' programme countries (Tanzania, Uganda, Bangladesh, Ethiopia);
- Public-private partner governance model set-up;
- New partnerships with water.org, CEWAS, Caritas, BORDA, Finance Trust, Post Bank a.o.;
- Over 300 maisons technically trained in safely managed sanitation systems;
- Launching of the pilot of the Sanitation Impact Bond;
- Development of business models in Circular Economy;
- Toilet design innovations.

### **Ambition, goals**

- Inclusive scale in Kenya: 5,000 new improved sanitation systems will be installed, financed through loans and € 1.9 M in sanitation investments;
- Inclusive scale in India through support of commercial (micro)financing of sanitation (€ 4.6 M), Sanitation Impact Bond pilot, € 2.7 M in sanitation investments will be realised;
- Develop FINISH Mondial public-private partnership towards 2030, including strategic partnership-building FINISH Mondial, development of results framework (learnings/communicating results);
- Working towards circular economy.

*FINISH Mondial is established with and owes its success to the following partners: Amref Flying Doctors, Aqua for All, ACTIAM, FINISH Society, Amref Health Africa, Cashpor (India), RDO Trust (India), BWDC (India), Gram Utthan (India), Sidian Bank (Kenya), Family Bank (Kenya), Hewasa (Uganda), BBBC (Ethiopia), Max Foundation (Bangladesh, Netherlands), Practical Action Bangladesh.*



#### **1.4.4 SWFF**

##### **Securing Water for Food**

SWFF is a programme supported by USAID, the Swedish International Development Cooperation Agency (SIDA), the Government of South Africa, and the Ministry of Foreign Affairs of the Netherlands, to promote science and technology solutions that enable the production of more food with less water and/or make more water available for food production, processing, and distribution.

Under SWFF, WASTE is implementing the innovation of *'circular economy with blackwater recycling for co-compost production and greywater recycling for irrigation for cultivation of exotic vegetables by women farmers in the Nilgiris District, India'* since 2017. WASTE partners with RDO Trust, LEAF, Borda and Canara Bank. Under SWFF, women farmers are registered under Producer Companies in which they are connected with banks and marketing partners (such as LEAF) for procurement of their crops via advance purchase order.

##### **Results achieved in 2018**

*Towards the end of project year 2, several targets have been achieved:*

- 1,350 farmers have adopted the innovation;
- 6,750 end-users have benefitted from the innovation, where approximately 70% of them are female users;
- 33,376 m<sup>3</sup>/year of greywater is recycled for irrigation;
- 3 M litres of faecal sludge processed for production;
- Sales of 360 tonnes of co-compost to vegetable farmers;
- 540 ha of land have been impacted by the innovation;
- \$215,750 of matching funds were leveraged from both private and public sectors.

#### **1.4.5 EJOM Mali**

##### **EJOM - L'emploi des jeunes crée des opportunités, ici au Mali**

*Creating jobs for young people and returning migrants in Mali*

The project is funded by the EU Trust Fund for the period of September 2017 to June 2021, to contribute to the development of economic opportunities in horticulture and organic farming, agribusiness, handicrafts, solid waste management and food chains in urban agriculture. This project is being carried out in a consortium with SNV (lead), ICCO (implementation) and APEJ (government).

WASTE and RUAF have been working together to contribute to the development of economic opportunities and to create jobs for young men and women and for returning migrants in Mali. The project takes



place in the four cities (regions) of Kayes, Koulikoro, Gao and the district of Bamako, all areas where young Mali people face systemic employment challenges.

**Our goals:**

- Contribute to the self-employment and employment of over 10,000 young people in four years (including women and disadvantaged groups);
- Promote development of SMEs to contribute to the employment of young people (especially women and disadvantaged people);
- Contribute to the creation of a financial and educational environment conducive to youth employment.

**Our role in the project**

Within the bigger project, our focus was on setting up small businesses in solid waste management and improving existing ones for growth and to create employment. RUAF works primarily with businesses in food chains within the four cities.

**Target impact**

- Local team trained in solid waste, recycling and urban agriculture
- 100+ SMEs created in waste management
- 2000 young people trained in solid waste management and food chains

**Results achieved in 2018**

In 2018, WASTE executed a 'Training of Trainer' workshop to provide the Mali team guidelines on their trainings in waste management. The 8 reports of the solid waste management assessments in the 4 project cities were handed in and used for further value chain analysis and identification of opportunities for youth employment. Additionally, work was started on specific training material on plastic recycling. A start was made with training young people in waste management and the first SME business plans were approved for funding.

**1.4.6 TAKE-a-STAKE Fund(TAS)**

*Preparation phase for setting-up Take-A-Stake (TAS) Fund for SMEs in WASH and linked sectors*

TAS is funded by the Swedish International Development Cooperation Agency (SIDA). The project will set up the TAS Foundation, aiming to set-up a new Impact Investment Fund for small and medium-sized enterprises (SMEs) in the water, sanitation and waste sector in developing countries/emerging markets, linked to related sectors including renewable energy, agriculture and health. TAS is starting in Kenya, Uganda and India, then expanding at a later stage. The companies involved are complementary to local utilities and centralised solutions in the countries, specifically serving last mile, low-income and marginalised communities.



## **Our goals**

- 1) Mobilise investments in SMEs to strengthen and scale the supply and value chain of water and sanitation services, resulting in more and better quality of products and services;
- 2) Support regional economic growth and employment (through the SMEs).

Within the diverse SME segment, TAS targets the Small and Growing Businesses (SGBs) strengthening sustainable, local economic growth and generating jobs in low-income communities. TAS is addressing the challenge of SGBs' lack of access to capital by: (i) offering a mix of investment instruments from public and private entities, (ii) providing capacity building, and (iii) mobilising co-investments (collaborations with local/international financial institutions/banks). TAS is complementary to the FINISH Mondial programme, targeting segments of SGBs which are beyond microfinance. While FINISH works on business development and access to finance for microenterprises, TAS will be the exit for growing enterprises who need capital above what is provided by MFIs yet are still too small for banks. Once TAS Fund is successfully incubated, the lifespan would be at least 10 years to contribute to sustainable growth and employment.

## **Activities (2017-18)**

- Studying WASH and waste sectors, understanding dynamics, investment risks/opportunities, and potential impact of the fund via its investees.
- Identifying and analysing 100+ financially sustainable SGBs needing + €100 million capital to expand and increase impact.
- Establishing relationships with potential investors in TAS and co-investors in the SGBs.
- Starting to build impact measurement and portfolio management tools.
- Identifying governance structures for investing in the SGBs.
- Registering TAS Foundation in the Netherlands.
- Provided proposal to SIDA for 18 months pilot project (under revision to date).

## **Impact realised**

- Engaged local investment teams, in collaboration with international and local partners;
- Analysed viable pipeline of ~80 SGBs in WASH sector in Kenya, Uganda and India, looking for € 100M investments total and potential impact on 10M people (incl. underserved, poor income) and relevant achievement of various SDGs with (focus on SDG 6).
- Confirmed lack of investments in WASH sector by impact investors and concerns for successful investments; engaged international and local FIs who indicated co-investing via TAS.
- Identified framework to set-up and successfully manage TAS, incl. identifying partner for the financial-technical fund management, potential investors, and other strategic partners for technical assistance/ co-investors to build a successful portfolio.



#### **1.4.7 Mini Desludging Unit (MDU)**

##### **Mini Desludging Unit (MDU) in Ethiopia**

*Developing a locally made mini-desludging device in Ethiopia and building business around it.*

The MDU project is funded by ViaWater and Dioraphte. As part of the Emergency Sanitation Project (ESP), we were challenged to develop a desludging device and simple effective faecal sludge treatment methods in Adama City in Ethiopia, and to develop businesses for the devices. Therefore, the project supports both households who have pit latrines that need to be emptied frequently and benefit local Micro and Small Enterprises active in pit-emptying service provision. Our partner, Yassin Industries, has played a central role.

##### **Our goals:**

1. Support the development of a small desludging device made locally, with locally available materials, local technicians and local partners, including Yassin Industries.
2. Develop small desludging device business: with our support, Yassin Industries promotes the technology, creates business opportunities and develops business and marketing strategies.

The project was built up in five phases, including: (1) Basic research and concept design; (2) Assessing the project concept and carrying out a pre-feasibility study of the local market; (3) Early stage technology development: building, testing and demonstrating the actual prototypes on difficult sludge (household pit latrines and public toilets); (4) Product development: analysing the market, producing the device in close collaboration with the partner; and (5) Product marketing: Once the final prototype is tested and proven functional, the product will be brought to the market.

##### **A focus on sustainability**

In order to develop sustainable and viable businesses, we ensured equipment was built locally, with local materials and by local people. Therefore, maintenance and repairs can be implemented quickly.

##### **Results 2018**

Goal 1 was achieved. Partners managed to locally build an MDU prototype operating within set design criteria and is safe to operate. Developing the business case is ongoing (prepared and submitted to donors). The business cases were reviewed by an external business consultant and recommendations, implemented.

To prove the business case, realise the product launch and commercialization stage, the following have been suggested:

- Detailed assessment of customers (pit-emptiers) and market segmentation is required.
- Perform a longer period (min. 6 months) field testing of MDU. Based on the testing, develop operational manuals.



- Find an enterprise to do the sales and promotion. The sales must be organized. Direct sales via own employees of Yassin; indirect sales via existing distribution channels of vacuum machines/equipment. The approach should be commercial business driven.

**Partners involved include:** *Yassin Industries (local manufacturer and well-equipped metal processing workshop); Bole Bible Baptist Church Child Care and Development (local NGO); Aqua for All (business development support).*

#### **1.4.8 CLUES**

*Action research to assess the potential for Complementary Local Urban Environmental Services*

CLUES is funded by the Bill and Melinda Gates Foundation (BMGF). In rapidly urbanizing cities, the quality of the living environment is under great strain. New solutions need to be found for rapid extension of environmental services. There is potential for a new dynamic sector of the economy to grow—demand for environmental services is evident.

##### **Goals**

This action research project will assess the potential for complementary local urban environmental services (CLUES), meaning the bundling of front-line service delivery arrangements for faecal sludge management and solid waste management. Looking at the existing models of SWM and FSM, we will assess whether the CLUES approach can gain traction at a local level in 10 developing cities in Africa and Asia (3-4 in Africa and 6-7 in Asia). The scope of the research is to assess the conceptual framework for bundling essential services under single umbrella contracts. Thereby, micro-entrepreneurs should be better able to strengthen their revenue sources, balance risks, maximize logistical synergies, attract credit and make cost savings.

##### **Approach**

The project will provide an in-depth assessment of the situation, stakeholders and the institutional frame of existing systems. At its core, the work will be based on the Integrated Sustainable Waste Management (ISWM) and Diamond Model approach. In this City Study the Faecal Sludge management will be included and as we will be looking at the options for linking FSM & SWM the emphasis within solid waste will be on the organic waste stream. The output comprises:

- The ISWM report (Baseline or audit);
- The ISWM includes a Process Flow Diagram (PFD) of the city.

##### **Activities:**

1. Inception workshop: Updating on Diamond Approach and synchronizing the ISWM assessments. The assessment of the 10 selected cities:
  - Existing studies and data



- Data collection & verification
  - Institutional / policy assessment
  - On site visits & mapping
2. Developing city reports: Each city will have a separate short city baseline report and presentation.
- Overview of collected data
  - Analysis of state of SWM & FSM
  - Recommendations for installing CLUES in city

*In 2018, the city reports have been developed and the project is in the phase of writing the final report.*

**Sustainability:**

In the next phase the lessons learnt from the city reports will be tested and converted into city plans, in which the CLUES concept is being applied.

**Partners involved include:** RWA, 3R WASTE India, Practical Action Bangladesh, ENPHO

**1.4.9 WASH SDG**

*The WASH SDG Consortium will contribute to sustainably improving access to and use of water, sanitation and improving hygiene behaviours*

**Goals & Impact:**

The WAI, Plan Netherlands and SNV formed the Netherlands WASH SDG Consortium. Jointly, they developed the Netherlands WASH SDG Programme which will contribute to sustainably improving access to and use of water and sanitation, improving hygiene behaviours for at least 2 M people, providing access and use of safe drinking water for at least 450,000 people in the coming five years.<sup>[1]</sup>

**Objectives**

The WASH SDG Programme assumes that sustainable and equitable use of WASH by all can be achieved in a specific locality by:

1. Improving behaviour change interventions, leading to increased demand for improved WASH facilities and practices.
2. Improving WASH service provision, leading to increased availability and affordability of WASH products and services.
3. Strengthening WASH governance and institutional framework leading to governments enabling efficient and effective delivery of inclusive and sustainable WASH services.

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<sup>[1]</sup> Outcome targets are based on budget availability of €59 million for the first 5 years.



## Approach

The proposed programme approach is built upon principles regarding sustainable and resilient WASH interventions, based on the understanding of the multi-dimensional nature of access and use of safe drinking water and sanitation services.

- **Area-wide approach** the programme will use an area-wide approach (sub-district, district or city), with a focus on full coverage, social inclusion and sustained services for the poorest communities.
- **Access-for-all** Reaching universal coverage, introducing new ways of thinking about how equity and processes of exclusion are addressed in the sector and gender equality can be guaranteed.
- **Government-led** (Local) governments are duty-bearers of the human right to WASH in their area; their engagement and ownership is essential for long-term sustainability of services in an area.
- **Private sector engagement** the consortium promotes and supports a system of affordable supply and services through market- and community-based solutions, including access to credit.
- **System's change** the sustainability of WASH services depends on the institutional and financial system the services are embedded in. This is not merely the market environment, government organisations and socio-cultural setting, but the checks and balances in that system and how different levels interconnect.

## Activities

In all countries where WASTE is active, incl. Bangladesh, Nepal, Ethiopia and Tanzania, the Diamond Model is the basis for the activities undertaken in the different countries. Activities focus on the development of sustained financing, demand and supply and a business enabling environment, thus providing a basis for a sustained development of the systems also once the program is closed.

**Partners involved:** *Per country different partners are involved. In all interventions, MoUs have been established with local authorities. In these MoUs, partners agree on the Sustainability Compact.*

*WASTE works together with Simavi in Bangladesh and Nepal and with Amref in Ethiopia and Tanzania. Other Dutch partners are RUAF, Practica, Rain, IRC and AKVO.*



#### **1.4.10 Spa 2 Zambia**

*Strengthening the Diamond Model in Kabwe in Zambia with emphasis on the very poor*

##### **Goals**

The SPA1 program focused on the establishment of sustainable sanitation service systems including construction of applicable and sustainable toilet facilities, establishing and strengthening small enterprises (construction and pit-emptying) and creating a supportive enabling environment in financial, administrative and technical perspective. Under SPA1, the Diamond Model was developed. The project did not utilize all funds and the funder asked us to strengthen the diamond model itself with more focus on service delivery for the very low-income households in peri urban areas. SPA2 is implemented in the municipality of Kabwe in Zambia.

##### **Diamond approach**

The project focuses on the following Diamond core themes:

1. *Sustainable finance models:* Establish/strengthen the financial mechanisms/instruments that fit the affordability levels of poorer households and enable them to access funding.
2. *Demand creation:* Establish/strengthen sanitation marketing mechanisms/instruments that fit the requirements of poorer households creating a real demand for affordable supply of appropriate pro-poor services and products.
3. *Enabling environment and support structure:* Develop/strengthen the appropriate enabling environment focusing on sanitation coverage of poor peri-urban communities and strengthen the local support structure.
4. *Knowledge management:* Capitalize on what was learnt in SPA I by producing relevant output which can be used to further develop the model.

##### **Activities:**

The inception phase consists of quick scans assessing the present status of the market, recent involvement of businesses, recent involvement KMC, recent involvement of MFIs/VSLA groups). Based on the analysis of the quick scans, the Diamond Model concepts and plans for implementation are reformulated.

Activities under the implementation phase will focus on trial of adjustment of concepts and core themes in particularly for the very poor.

Further the project will capitalize on lessons learned and disseminate the results:

- Develop training material capitalizing on the 8 years SPA
- Working paper specifically about the challenge of targeting the poor, lessons learned



## **Sustainability**

The outputs from this project will be utilized in other projects of Plan and WASTE.

**Partners involved:** WASTE Zambia, Plan Zambia and Plan Netherlands

### **1.4.11 @Scale**

*Exploring scaling up strategies in WASH*

Still billions of people lack access to water and sanitation. The urgency for access to WASH is clearly reflected in the Sustainable Development Goals (SDGs), but it is unlikely that SDG 6 will be met based on the current development-aid approach. Radical new approaches are required to get to scale in WASH. @Scale was initiated by WASTE and Aqua for All to explore such approaches and to develop tools for scaling in WASH.

#### **How to go to scale?**

*What are promising models? How to arrange financing? In specific, how to use limited public funds to interest the (large) pool of private investors for water? What are bottlenecks hampering scaling and what are factors boosting scaling in WASH? What is needed to make things work in practice, on the ground?*

Promising new approaches with the potential for scaling are surfacing:

- Households paying for services (thus reducing or – ideally – even removing dependency on subsidies)
- Mobilisation of private sector financing, including local financing
- Re-thinking the usage of donor funds
- Involving the private sector in service delivery

@Scale is an applied research-project to better understand these mechanisms for scaling, support the development of these mechanisms and support projects and organisations to put these mechanisms into practice.



We will not rest until we have answered:

- *What models can provide water (at scale) for households that are not linked to the grid?*
- *What models can provide access to sanitation (at scale) for households that are not linked to sewerage systems?*
- *What models can manage faecal sludge (at scale) and allow for re-use of faecal matter?*

### **Sustainability**

@Scale is built on the principle that delivery of public goods like water and sanitation cannot be solved with business models alone but require embedding in a local context. Therefore, the Diamond Model is used to stimulate cooperation of local stakeholders: community leaders, municipalities, businesses and the financial sector.

Was signed, The Hague, 23 September 2019.

Hanny Maas  
(Director)

Valentin Post  
(Financial Director)



## 1.5 Supervisory Board

According to the Articles of Association, the Supervisory Board supervises the WASTE management and operations and acts as a sounding board and source of inspiration for the management and the WASTE experts. The Supervisory Board members receive a compensation for the costs involved but do not receive a remuneration for their involvement in the Supervisory Board.

In 2018, with the transition of WASTE Foundation to its new structure being complete, a new Supervisory Board was appointed. The Chair of the Supervisory Board remained in function to provide continuity to the Supervisory Board. Three new members were appointed, each of them because of their specific expertise. The members divided their responsibilities as below:

### Composition

<b>Name</b>	<b>Position</b>	<b>Other Positions</b>
Mr. Adriaan Ferf	Chair	Chair Herdenkingscomité Eelde Treasurer Vrienden van Lemferdinge Member Stichting Project 2020- Muziek Theater Bevrijding Drenthe
Mr. Klaas Molenaar	Treasurer	Director Timpoc Consultancy Partner/owner of Timpoc Organics VoF Chair Stichting EnterStart
Mrs. Rolien Sasse	Member	Advisor on Water and Conflict Member of Stichting Water for Life
Mr. Adriaan Mels	Member	Regional Manager VEI, Dutch Water Operators

In 2018 the Supervisory Board met 4 times. The second meeting was a joint meeting with the members of the WASTE Cooperative.

The Supervisory Board appointed the new director Mrs. Hanny Maas in April. The Board of WASTE Foundation is now formed by the general director Mrs. Hanny Maas and the financial director Mr. Valentin Post, who will continue till 2019 to provide continuity in the board.

In 2018 the new Supervisory Board focused on getting to know the WASTE Foundation, its structure, the WASTE experts, programmes and partnerships. It concentrated on the governance issues in general, on the relation between the Supervisory board and the Board of Directors, the financial performance, the portfolio development with some very large projects in the pipeline and its financial, management and administrative implications, the annual accounts, improved risk management and the handing over of the Guarantee funds by the ministry of Affairs to the WASTE Foundation and its implications.



The supervisory board concludes that the new ways of operation of the WASTE Foundation starts to bear fruit and that the prospects to further growth with innovative programmes with large scale impacts on sanitation and the environment are good. Although the Supervisory Board is aware that much work still has to be done in 2019 to further strengthen the organisation, it compliments staff and management with achievements in 2018 that required extremely hard work and a large commitment and the important steps forward to the realisation of WASTE Foundation's objectives.

Was signed, The Hague, 23 September 2019.

Adriaan Ferf  
(Chair of the Supervisory Board)

Adriaan Mels  
(Member of the Supervisory Board)

Klaas Molenaar  
(Member of the Supervisory Board)

Rolien Sasse  
(Member of the Supervisory Board)



## 2. FINANCIAL STATEMENT 2018

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**2.1 Balance per 31 December** (after appropriation of result)

<b>ASSETS</b>		31-12-2018	31-12-2017
		€	€
<b>Fixed assets</b>			
Tangible fixed assets	2.5.1	1,138	3,100
Financial fixed assets	2.5.2	163,934	439,748
		165,072	442,848
		-----	-----
<b>Current assets</b>			
Debtors	2.5.3	12,000	12,000
Receivables on projects	2.5.8	1,322,792	1,652,660
Other receivables		35,165	62,048
		1,369,957	1,726,708
		-----	-----
<b>Cash</b>	2.5.4	1,772,437	1,580,892
		-----	-----
<b>Total assets</b>		3,307,466	3,750,448



<b>EQUITY AND LIABILITIES</b>		31-12-2018	31-12-2017
		€	€
<b>Reserves and funds</b>			
Continuity reserve	2.5.5	306,704	271,704
Designated funds	2.5.6	387,208	533,714
		<u>693,912</u>	<u>805,418</u>
		-----	-----
<b>Current liabilities</b>			
Creditors		223,696	261,438
Taxes and social charges		-	5,701
Advances on projects	2.5.8	723,102	1,418,912
Project liabilities	2.5.9	1,595,667	1,192,683
Other short-term liabilities		71,089	66,296
		<u>2,613,554</u>	<u>2,945,030</u>
		-----	-----
<b>Total equity and liabilities</b>		<u>3,307,466</u>	<u>3,750,448</u>
		=====	=====



## 2.2 Statement of income and expenditure

		Result 2018	Budget 2018	Result 2017
		€	€	€
<b><u>INCOME</u></b>				
Income from government subsidies:				
-	The Netherlands			473,069
	171,946	60,417		
-	Other		502,271	379,545
	673,359			
Income from public-private partnerships (PPPs):				
-	The Netherlands			962,793
	1,492,625	1,483,305		
Income from funding organizations				
		1,870,945	686,487	734,095
<b>Total income</b>	2.5.8	3,809,078	2,730,603	2,951,176
<b><u>EXPENDITURE</u></b>				
Direct programme/project expenses				
		3,609,464	2,500,727	2,847,387
Personnel expenses	2.6.1	-679	-	17,306
Management expenses		67,862	69,300	51,154
Housing expenses		35,333	39,944	46,741
Publicity, communication and acquisition		5,488	23,464	6,705
Office and general expenses		110,415	107,233	54,046
Depreciation		2,700	-	6,001
Total expenditure		3,830,583	2,740,668	3,029,340
<b>Result before financial income and expenses</b>		-21,505	-10,065	-78,164
<b><u>BALANCE FOR FINANCIAL INCOME AND EXPENSES</u></b>				
Financial income		56,505	-	32,759
Financial expenses		-	-1,539	-1,791
Result guarantee funds		-146,506	-	-89,571
<b>Financial result</b>		-90,001	-1,539	-58,603



**Result income and expenditure**

	<u>                    </u>	<u>                    </u>	<u>                    </u>
	-111,506	-11,604	-136,767
	<u>                    </u>	<u>                    </u>	<u>                    </u>



	Result 2018	Budget 2018	Result 2017
	€	€	€
<b>Appropriation of the result</b>			
Continuity reserve	35,000	-11,604	-47,196
Designated funds	-146,506	-	-89,571
	<u>-111,506</u>	<u>-11,604</u>	<u>-136,767</u>
	=====	=====	=====



### **2.3 Cash flow statement**

The cash flow statement analyses the changes in cash and cash equivalents between 1 January 2017 and 31 December 2017 and is prepared to the indirect method.

	2018	2017
	€	€
<b>Cash flow from operational activities</b>		
Result income and expenditure	-111,506	-136,767
Result guarantee funds	146,506	104,888
Differences	-	-33
Depreciation	2,700	6,001
	<hr/>	<hr/>
<b>Cash-flow</b>	37,700	-25,911
	-----	-----
<b><i>Changes in working capital:</i></b>		
Receivables	356,751	-1,108,516
Long term liabilities	-	-110,401
Short term liabilities	-331,476	1,167,391
	<hr/>	<hr/>
Total changes in working capital	25,275	-51,526
	-----	-----
Total cash flow from operational activities	62,975	-77,437
	<hr/> <hr/>	<hr/> <hr/>
<b>Cash flow from investments</b>		
Investments in fixed assets	-738	-
Reimbursements of closed contracts guarantee funds	129,308	193,512
	<hr/>	<hr/>
Total cash flow from investment activities	128,570	193,512
	<hr/> <hr/>	<hr/> <hr/>
<b>Total cash flow</b>	191,545	116,075
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents 1 January	1,580,892	1,464,817
Cash and cash equivalents 31 December	1,772,437	1,580,892
	<hr/>	<hr/>
<b>Changes in cash</b>	191,545	116,075
	<hr/> <hr/>	<hr/> <hr/>



## **2.4 Accounting principles**

### **2.4.1 General information**

The financial statements are drawn up in accordance with the Guideline C1 of the Dutch Accounting Standards Board, the guideline for "Small-not-for-profit-organizations". The financial statements are prepared in € .

### **2.4.2 Translation of foreign currency**

Transactions in foreign currency are converted into euros at the exchange rate on the transaction date. At the end of the financial year all assets and liabilities in foreign currencies are converted into euros at the final exchange rate at the balance sheet date. The ensuing exchange results are processed in the statement of income and expenditure.

### **Accounting policies in respect of the valuation of assets and liabilities**

#### **2.4.3 General**

Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

#### **2.4.4 Tangible fixed assets**

Tangible fixed assets are valued against purchase price less accumulated depreciation and, if applicable, impairments. Investments less than € 500 are not capitalized. Depreciation is based on the useful life and calculated as a fixed percentage of the acquisition price, taking into account any residual value. Depreciation starts at the moment of commissioning.

#### **2.4.5 Financial fixed assets**

The guarantee funds are presented as financial fixed assets and stated at amortized cost price at year end taking into account losses on loans (defaults), exchange rate differences and received interest. Cost of fund management is already included in the projects.

The guarantee funds were originally financed by project donors. The ownership of the funds has been formally transferred to WASTE. WASTE pledged to keep using the funds for the original objective: mobilizing (local) financing for water and sanitation. Therefore, the funds are also presented as designated funds under Reserves and Funds. Future withdrawals will be deducted from the guarantee funds through the statement of income and expenditure.



#### **2.4.6 Receivables**

Receivables are recognized at fair value. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of discounted value of the expected revenues. Interest gains are recognized using the effective interest method. When a receivable is uncollectible, it is written off against the provision for bad debts.

Cash is stated at face value.

#### **2.4.7 Reserves and funds**

The promised subsidy income and efforts for additional benefits do not prevent a certain degree of uncertainty about the continuity of the organization. The subsidy commitments assume a continuation of the Foundation and in these annual accounts the principles of valuation and determination of the result are based on the assumption of continuity of the Foundation.

The continuity reserve is created to ensure that the foundation can meet its legal and moral obligations in case of a significant fall in income in the future. The Board has the authority to allocate special purpose reserves for specific projects.

The designated funds allocates the pledged funds available for guarantee funds.

### **Accounting policies in respect of result determination**

#### **2.4.8 Income and expenditure**

Income and expenditure are recognized as they are earned or incurred and are accounted for in the financial statements in the year to which they relate. Losses are taken into account if they originate in the financial year and as soon as these are anticipated. Profit or loss is determined as the difference between the realistic value of the services delivered and the costs and other charges for the year. WASTE defines the net income as a result of realized productive hours against the tariff agreed with the funders. Direct project costs are directly made for projects such as costs of partners and travel costs.

The general and administrative expenses comprise partly costs chargeable to the year that are not directly attributable to the cost of the services rendered.

Salaries, pension and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Interest paid and received is recognized on a time-weighted basis, taken account of the effective interest rate concerned.



## 2.5 Notes to the balance sheet

### ASSETS

#### FIXED ASSETS

##### 2.5.1 Tangible fixed assets

	Computer	Inventory/ equipment	Total
	€	€	€
Balance as at 1 January 2018			
Purchase value	115,908	16,998	132,906
Accumulated depreciation	-112,970	-16,836	-129,806
	<u>2,938</u>	<u>162</u>	<u>3,100</u>
Book values as at 1 January 2018			
	<u>2,938</u>	<u>162</u>	<u>3,100</u>
Movements during the financial year			
Investments	-	738	738
Divestments	-114,709	-15,635	-130,344
Depreciation	-1,436	-200	-1,636
Depreciation on divestments	113,645	15,635	129,280
	<u>-2,500</u>	<u>538</u>	<u>-1,962</u>
	<u>-2,500</u>	<u>538</u>	<u>-1,962</u>
Balance as at 31 December 2018			
Purchase value	1,199	2,101	3,300
Accumulated depreciation	-761	-1,401	-2,162
	<u>438</u>	<u>700</u>	<u>1,138</u>
Book values as at 31 December 2018			
	<u>438</u>	<u>700</u>	<u>1,138</u>
Depreciation percentage	20%	20%	



	2018	2017
	€	€
<b>2.5.2 Financial fixed assets</b>		
Guarantee funds	138,934	414,748
Investment in companies	25,000	25,000
Balance as per 31 December	163,934	439,748
<b>Guarantee funds (outstanding guarantees)</b>		
Balance as at 1 January	414,748	713,115
Adjustments former years	-	-1
New issued guarantee funds	-	-
Written-off	-154,056	-4,209
Reimbursements of closed contracts	-129,308	-193,512
Interest, provisions and exchange rate differences	7,550	-100,645
Balance as per 31 December	138,934	414,748

WASTE is party in contracts with local partners to manage loan guarantee funds facilitating access to finance loans for sanitation purposes. The guarantee funds are cash collaterals deposited at local micro-finance institutions or banks for a fixed period. Common practice in these facilities is that micro-finance institutions or banks disburse and manage loans from their own funds and the deposit minus administrative expenses and amounts written-off, plus interest gained on the deposit is returned to WASTE after a certain period. The funds outstanding and funds returned to WASTE are held under the 'designated funds'. The 'designated funds' are therefore higher than the outstanding guarantee funds, as this includes all funds available at WASTE for the purpose of financing access to water, sanitation and hygiene (both outstanding guarantees as well as returned funds). At the end of 2018 the designated fund is € 387,208, which is € 248,274 higher as the outstanding guarantees. The total remaining amount for guarantee funds is presented under the Reserve and funds. These designated funds are higher than the guarantee funds deposited. The difference at 31 December 2018 was € 248,274, (2017: € 118,966).

#### **Investment in companies**

WASTE International B.V. started on 6 August 2013. Stichting WASTE as a sole shareholder has fully taken the loss in WASTE International B.V. The participation is valued at € 0.

WASTE invested € 25,000 in Finish Service Management Company Ltd. in India. WASTE owns 6,118 normal shares constituting 38% of the expanded ordinary capital and 158,768 shares (100%) in the form of redeemable preference capital (6%).



	2018	2017
	€	€
<b>CURRENT ASSETS</b>		
<b><u>2.5.3 Debtors</u></b>		
Balance as per 31 December	12,000	12,000
There is no need for a provision for doubtful debtors.		
<b><u>2.5.4 Cash</u></b>		
Current bank accounts	1,202,186	1,011,903
Savings accounts	570,251	568,938
Petty cash	-	51
Balance as per 31 December	1,772,437	1,580,892

All cash can be withdrawn upon demand. The assets from savings relate to activities to be contracted in the BMGF project and the Finish Ink project, and partly to outstanding obligations to partners in the FINISH project and the Finish Ink project.



## **EQUITY AND LIABILITIES**

	2018	2017
	€	€
<b><u>2.5.5 Continuity reserve</u></b>		
Balance as at 1 January	271,704	318,900
Appropriation of result	35,000	-47,196
Balance as at 31 December	<u>306,704</u>	<u>271,704</u>

The Supervisory Board decided to build up a continuity reserve to cover the annual costs. In 2019 the Supervisory Board will adapt the required continuity reserve based on an estimation of average annual costs and financial risks.

	2018	2017
	€	€
<b><u>2.5.6 Designated funds</u></b>		
Balance as at 1 January	533,714	623,285
Appropriation of result	-146,506	-89,571
Balance as at 31 December	<u>387,208</u>	<u>533,714</u>

The amount held in the designated funds is the total remaining amount available for the purpose of increasing access to water, sanitation and hygiene (including guarantee funds) which are presented under the financial fixed assets. The designated funds are higher than the guarantee funds deposited. The difference at 31 December 2018 was € 248,274, (2017: € 118,966).



	2018	2017
	€	€
<b><u>2.5.7 Long-term liabilities</u></b>		
Balance as at 1 January	-	110,401
Exchange differences	-	-15,283
Repaid guarantee funds	-	-95,118
Balance as at 31 December	-	-



### **2.5.8 Receivables and advances on projects**

Project	balance	received	spent	balance
	01-01-2018	on projects	on projects	31-12-2018
	€	€	€	€
Finish	-393,296	525,000	-842,510	-710,806
Finish Ink	-1,012,153	1,004,238	-120,283	-128,198
MarColombia	-31,477	44,979	-13,502	-
Malawi EU	58	-	-	58
Malawi BMGF	1,030,757	-	-604,189	426,568
Wash Bridgefunding	-69,533	69,533	-	-
MDU	-51,970	50,045	-17,197	-19,122
YEP/Unicef	6,820	2,494	-9,314	-
SIDA/Sef	211,382	194,584	-204,123	201,843
ICI Mali	53,309	-	-175,809	-122,500
A4A Finish Mondial	-34,488	1,000,000	-1,018,650	-53,138
USAID	-59,743	180,976	-105,142	16,091
SDG Wash	32,965	97,919	-91,354	39,530
Clues	83,621	149,182	-193,791	39,012
A4A Scale	-	-	-45,001	-45,001
SPA Zambia	-	-	-121,564	-121,564
SDG Amref	-	124,186	-218,109	-93,923
SDG Simavi	-	-	-28,540	-28,540
	-233,748	3,443,136	-3,809,078	-599,690
Receivables on projects	-1,652,660			-1,322,792
Advances on projects	1,418,912			723,102
	-233,748			-599,690



**2.5.9 Project liabilities**

	2018	2017
	€	€
Finish	289,085	62,460
Finish Ink	701,909	877,993
MDU	8,018	12,196
SIDA/SEF	-4,908	53,851
ICI Mali	39,941	94,000
A4A Finish Mondial	377,829	-
USAID	5,352	22,018
SDG Wash	18,252	39,699
CLUES	28,807	30,466
SPA Zambia	54,235	-
SDG Amref	77,147	-
Balance as at 31 December	<u>1,595,667</u>	<u>1,192,683</u>



### **2.5.10 Assets and liabilities not recognized in balance sheet**

WASTE received multiyear grants for projects to be executed in the coming years. The grants are subject to restrictions, so these may be withdrawn. As far as these grants are not yet unconditionally committed, they have not been included in the balance sheet and are considered as not recognized in the balance sheet.

The table below provide an overview of these grants:

Project	total grant amount	total received 31-12-2018	receivable amounts	total spent on projects	balance 31-12-2018
	€	€	€	€	€
Finish	5,725,000	4,736,606	988,394	5,447,412	-710,806
Finish Ink	4,499,533	3,625,842	873,691	3,754,040	-128,198
MarColombia	449,790	449,790	-	449,790	-
Malawi EU	635,029	635,029	-	634,971	58
Malawi BMGF	2,349,361	2,349,361	-	1,922,793	426,568
Wash Bridgefunding	1,096,808	1,096,808	-	1,096,808	-
MDU	157,355	137,545	19,810	156,667	-19,122
YEP/Unicef	103,861	103,861	-	103,861	-
SIDA/Sef	711,111	711,111	-	509,268	201,843
ICI Mali	998,585	217,062	781,523	339,562	-122,500
A4A Finish Mondial	1,435,000	1,000,000	435,000	1,053,138	-53,138
USAID	431,500	180,976	250,524	164,885	16,091
SDG Wash	133,134	133,134	-	93,604	39,530
Clues	317,453	317,453	-	278,441	39,012
A4A Scale	97,900	-	97,900	45,001	-45,001
SPA Zambia	184,428	-	184,428	121,564	-121,564
SDG Amref	274,818	124,186	150,632	218,109	-93,923
SDG Simavi	132,688	-	132,688	28,540	-28,540
	<u>19,733,354</u>	<u>15,818,764</u>	<u>3,914,590</u>	<u>16,418,454</u>	<u>-599,690</u>

The yearly gross rent of the office in The Hague is € 40,990. The net rent is € 31,587 due to a rent-free period as agreed in the rental contract. The contract has entered into force on 01 April 2015 for the period of 3 years.



## **2.6 Notes to the statement of income and expenditure**

### **EXPENSES**

	Result 2018	<i>Budget</i> 2018	Result 2017
	€	€	€
<b><u>2.6.1 Personnel expenses</u></b>			
Salaries	-	-	23,602
Received sickness allowance	-	-	-13,567
Social charges	-	-	3,709
Pension charges	-1,857	-	-4,097
Transition expenses	-	-	-
Hired personnel	-	-	2,663
Other personnel expenses	1,178	-	4,996
	<u>-679</u>	<u>-</u>	<u>17,306</u>

## **2.7 Post balance sheet events**

There have been no significant events post balance date which would materially affect the annual accounts.



## **2.8 Legislation on standards for top salaries (Wet Normering Topinkomens WNT) 2018**

**2018**

### **Details of function**

Name	J.H.M. Barendse	S.M. Maessen	J.W.C. Maas	V.C.K.A.M. Post
Function	Director	Director	Director	Director
Start of function	1-1-2018	1-1-2018	1-4-2018	1-1-2018
End of function	31-3-2018	31-3-2018	31-12-2018	31-12-2018
Extend of employment in FTE	1,00	0,75	1,00	1,00
Former director	no	no	no	no
Fictional engagement	yes	yes	yes	yes
	€	€	€	€

### **Remuneration**

Remuneration including taxable compensations				
- Management expenses	9,355	-	54,451	4,056
- Direct programme/project expenses	30,681	8,850	28,994	88,953
Provisions remuneration due	-	-	-	-
Subtotal	40,036	8,850	83,445	93,009
Individual applicable remuneration maximum	47,250	35,438	141,750	189,000
Subtotal	40,036	8,850	83,445	93,009
-/- amount paid not due	-	-	-	-
Total remuneration	40,036	8,850	83,445	93,009
Reason amount paid not due is allowed	N/a	N/a	N/a	N/a

'According to the law on top salaries all payments by WASTE for persons registered as directors in the Chamber of Commerce have to be provided here. It is important to note that only Jacqueline Barendse (till end of March) and Hanny Maas (starting from April) are a fulltime director at WASTE in 2018. Valen-



tin Post and Stan Maessen are remunerated mainly for their work as project managers and only for a very small part as directors. '

**2017**

**Details of function**

Name	J.H.M. Barendse	S.M. Maessen	V.C.K.A.M. Post
Function	Director	Director	Director
Start of function	1-1-2017	1-1-2017	1-1-2017
End of function	31-3-2017	31-3-2017	31-12-2017
Extend of employment in FTE	1,00	0,75	1,00
Former director	no	no	no
Fictional engagement	yes	yes	yes

€	€	€
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**Remuneration**

Remuneration including taxable compensations	95,974	51,538	103,430
Provisions remuneration due	-	-	-
<b>Subtotal</b>	<b>95,974</b>	<b>51,538</b>	<b>103,430</b>

Individual applicable remuneration maximum	168,000	126,000	168,000
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Subtotal	95,974	51,538	103,430
-/- amount paid not due	-	-	-

<b>Total remuneration</b>	<b>95.974</b>	<b>51.538</b>	<b>103.430</b>
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Reason amount paid not due is allowed	N/a	N/a	N/a
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## **2.9 Approval and adoption of the annual accounts 2018**

The Board shall approve the annual report and financial statement 2018 of the Stichting in the next meeting, including the allocation of the result of income and expenditure as presented on page 32.

Was signed, The Hague, 23 September 2019.

Hanny Maas  
(Director)

Valentin Post  
(Financial Director)



### 3. OTHER INFORMATION

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Stichting WASTE  
Binckhorstlaan 36, Unit C1 74  
2516 BE DEN HAAG

## INDEPENDENT AUDITOR'S REPORT

To: management and the supervisory board of Stichting WASTE

### Report on the audit of the financial statements 2018 included in the annual accounts 2018

#### *Our opinion*

We have audited the financial statements 2018 (page 28-47) of Stichting WASTE, based in Den Haag.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting WASTE as at 31 December 2018 and of its result for 2018 in accordance with the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet normering topinkomens' (WNT, Standards for Remuneration Act).

The financial statements comprise:

1. the balance sheet as at 31 December 2018 (with a balance sheet total of € 3,307,466);
2. the statement of income and expenditure for the year 2018 (with a total negative result of € 111,506); and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### *Basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the accompanying financial statements' section of our report.

We are independent of Stichting WASTE in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Report on the other information included in the annual accounts 2018**

In addition to the financial statements and our auditor's report thereon, the annual accounts 2018 contains other information that consists of:

- the board report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet normering topinkomens' (WNT, Standards for Remuneration Act).

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the director's report and other information in accordance with the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet normering topinkomens' (WNT, Standards for Remuneration Act).

#### **Description of responsibilities regarding the financial statements**

##### ***Responsibilities of management and the supervisory board for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the RJK-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (guideline for annual reporting for small not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet normering topinkomens' (WNT, Standards for Remuneration Act). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

##### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Was signed to Sliedrecht, 23 September 2019.

WITh accountants B.V.  
P. Alblas RA

Enclosure.

**Enclosure to our auditor's report by the accompanying financial statements 2018 of Stichting WASTE, based in Den Haag**

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, 'Controleprotocol WNT 2018' (audit protocol 2018 concerning the Standards for Remuneration Act) ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.